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SENATE BILL 367

46TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2003

INTRODUCED BY

Steve Komadina

AN ACT

RELATING TO RETIREE HEALTH CARE; AMENDING THE RETIREE HEALTH CARE ACT TO MANDATE AN ALTERNATIVE METHOD OF CALCULATING MONTHLY PREMIUMS FOR CERTAIN ELIGIBLE RETIREES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 10-7C-13 NMSA 1978 (being Laws 1990, Chapter 6, Section 13, as amended) is amended to read:

"10-7C-13. PAYMENT OF PREMIUMS ON HEALTH CARE PLANS. --

A. Each eligible retiree shall pay a monthly premium for the basic plan in an amount set by the board not to exceed fifty dollars (\$50.00) plus the amount, if any, of the compounded annual increases authorized by the board, which increases shall not exceed nine percent until fiscal year 2008 after which the increases shall not exceed the authority's

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1 group health care trend. In addition to the monthly premium
2 for the basic plan, each current retiree and nonsalaried
3 eligible participating entity governing authority member who
4 becomes an eligible retiree shall also pay monthly an
5 additional participation fee set by the board. That fee shall
6 be five dollars (\$5.00) plus the amount, if any, of the
7 compounded annual increases authorized by the board, which
8 increases shall not exceed nine percent until fiscal year 2008
9 after which the increases shall not exceed the authority's
10 group health care trend. The additional monthly participation
11 fee paid by the current retirees and nonsalaried eligible
12 participating entity governing authority members who become
13 eligible retirees shall be a consideration and a condition for
14 being permitted to participate in the Retiree Health Care Act.
15 Eligible dependents shall pay monthly premiums in amounts that
16 with other money appropriated to the fund shall cover the cost
17 of the basic plan for the eligible dependents.

18 B. Eligible retirees and eligible dependents shall
19 pay monthly premiums to cover the cost of the optional plans
20 that they elect to receive, and the board shall adopt rules for
21 the collection of additional premiums from eligible retirees
22 and eligible dependents participating in the optional plans.
23 An eligible retiree or eligible dependent may authorize the
24 authority in writing to deduct the amount of these premiums
25 from the monthly annuity payments, if applicable.

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C. The participating employers, active employees and retirees are responsible for the financial viability of the program. The overall financial viability is not an additional financial obligation of the state.

D. For eligible retirees who become eligible for participation on or after July 1, 2001, the board may determine monthly premiums based on the retirees' years of credited service with participating employers; provided, however, that, for purposes of this subsection, an eligible retiree who has made contributions to the fund continuously from July 1, 1990 until the date of retirement shall be deemed to have twenty-five years of credited service with participating employers. "